



**ADDENDUM TO THE DIVISION OF
FAMILY HEALTH AND WELLNESS
WIC VENDOR HANDBOOK
2016 – 2019**

Revised July 23, 2018



TENNESSEE DEPARTMENT OF HEALTH
DIVISION OF FAMILY HEALTH AND WELLNESS
ADDENDUM TO WIC VENDOR HANDBOOK
FOR 2016 - 2019

TENNESSEE DEPARTMENT OF HEALTH

and

(vendor name)

for

AUTHORIZATION TO PARTICIPATE IN THE TENNESSEE WIC PROGRAM

WHEREAS, the Tennessee Department of Health and _____
(Vendor Name)

desired to enter into an agreement beginning on _____
(Month, Date, Year)

relating to participation in the Tennessee WIC Program.

NOW, THEREFORE, the parties hereby agree as follows to accept the following revised and new pages to said handbook which under "Section II, BOTH PARTIES AGREE AS FOLLOWS", clause (10) of the agreement states "The WIC Vendor Handbook is part of this agreement and is incorporated by reference".

A SUMMARY OF THESE CHANGES:

1. This handbook and the agreement of which it is a part of, is being amended to have an ending date of September 30, 2019.
2. Page 29, second bullet, has been revised to include additional information regarding the allowance of "split tender transactions" with Cash Value Voucher (CVV) transactions.
3. Page 31, fifth bullet, has been revised to include additional information regarding the allowance of "split tender transactions" with Cash Value Voucher (CVV) transactions.
4. Page 32, #2 under the first bullet, has been revised to include additional information regarding the allowance of "split tender transactions" with Cash Value Voucher (CVV) transactions.
5. The "Vendor Complaints" Section is newly added.
6. The maximum amount for Civil Money Penalties (CMPs) issued for trafficking in food instruments (includes paper vouchers and EBT cards) and for selling firearms, ammunition, explosive, or controlled substances in exchange for food instruments have increased.

7. Information regarding vendor responsibilities under TNWIC, the Tennessee WIC Program's WIC Electronic Benefits Transfer (EBT) system.

THE COMPLETE TEXT IS AS WHICH FOLLOW.

(Revised page 29)

FOOD INSTRUMENT AND CASH VALUE VOUCHER
INFORMATION FOR VENDOR

- Valid month: Local health departments and clinics issue three (3) months of FIs and CVVs at a time. However, each FI and CVV is valid only for the month printed. Accept FIs and CVVs for the current valid month only! It is program policy to not pay any FIs or CVVs transacted out of the valid month.
- Dollar amount: The amount to be entered in the "PAY THIS AMOUNT" box is the price of the approved foods being purchased using WIC benefits at the time of the transaction without sales tax. This is the amount of money that shall be paid on the FI or CVV. Change, credit, "due bills" or "rain checks" are not to be given for either FIs or CVVs. However, the participant, authorized representative or proxy must be allowed to pay the difference when a fruit and vegetable purchase exceeds the value of the CVVs (also known as a split tender transaction). Payment can be made with using cash, SNAP benefits or other means. These forms of payment are subject to collection of sales tax except SNAP transactions.
- Automated Clearing House (ACH) payment for over the allowed maximum FI and CVV dollar amount: The vendor shall receive an ACH payment electronically if the transacted amount of the FI or CVV is greater than the allowed maximum dollar amount of the FI or CVV. However, the FI or CVV shall still be considered rejected and returned to the vendor by the WIC Program's banking contractor and stamped "Exceeds Maximum Amount; Will be paid at reduced amount via ACH; DO NOT REDEPOSIT."
- FI or CVV signature: A FI/CVV folder must be presented along with the FI or CVV by a program participant or alternate at the time of the transaction. Any person whose name and signature appears on the front of the folder is eligible to transact the FI or CVV. The signature on the FI/CVV folder must match the one signed on the FI's or CVV's signature line during the transaction. Do not accept the FI or CVV if the signature line is pre-signed. Questionable matches can be verified by driver's license or other valid ID. The cashier must complete the date and dollar amount before the signature is obtained.
- Alterations: FIs and CVVs altered (changed, rewritten or erased) for date, dollar amount, vendor name/number, and signature may not be paid. For mistakes, the FI or CVV (and cash receipt if possible) should be held and the regional WIC Program representative contacted prior to deposit at your local bank.
- Food package description: The FI is to be transacted for only the types, brands, sizes, and varieties of approved foods listed on the WIC Food List and the FI. No substitutions allowed. However, changes in packaging, product name and/or available varieties are allowed following notification by an authorized WIC Program representative. The CVV is to be transacted for eligible fruits and vegetables as described on the WIC Food List and the CVV.
- Customer courtesies: Except at "above-50-percent" vendors, the transaction must include promotions available to all customers such as bonus cards, coupons, etc. Additional quantities of food are not to be provided unless the transaction involves a customer courtesy available to all customers such as "buy one, get one free" or a free item available with the purchase of an approved food. Promotions available only to WIC transactions are not allowed. "Double Your Money Back" guarantees for quality and freshness also apply to WIC transactions if this promotion is available to all customers. The item in question is to be exchanged and a refund given by cash or gift card that equals the original purchase price. Exchanges

involving FIs must be for the original item purchased. Exchanges involving CVVs can include other eligible products with the same dollar value if the original item cannot be replaced with good quality stock or is not available.

- Timeframe to deposit FIs and CVVs: FIs and CVVs are to be processed by the WIC Program's bank contractor within thirty (30) days from the last day of the valid month.

(Revised page 31.)

FOOD INSTRUMENT AND CASH VALUE VOUCHER PROCEDURES FOR CASHIERS

The following steps must be performed in the indicated order and at the time of the transaction unless otherwise noted:

- When presented with a FI or CVV, ask the participant if they have their FI/CVV folder.
- Verify the FI or CVV is for the valid month printed on the top right side of its front. **Do NOT write in the right side of the FI or CVV until the transaction is completed.**
- Separate the foods to be purchased with the FI or CVV from any other items. If both FIs and CVVs are part of the WIC transaction, the WIC eligible foods need to be separated accordingly. (See current WIC Food List and FI or CVV being presented.)
- Review the food package description on the left side of the front of the FI. It describes the types and quantities of approved foods to which the program participant is entitled. Acknowledgment of an item's eligibility by the vendor's scanning system does not guarantee the program participant is entitled to it.
- Review the description and dollar amount on the left side of the front of the CVV. This indicates the amount of eligible fruits and vegetables that can be purchased without requiring additional payment. However, the participant, authorized representative or proxy must be allowed to pay the difference when a fruit and vegetable purchase exceeds the value of the CVVs (also known as a split tender transaction). Payment can be made with using cash, SNAP benefits or other means. These forms of payment are subject to collection of sales tax except SNAP transactions.
- Compare foods presented for purchase with a FI to the WIC Food List to assure the proper foods have been selected in the correct sizes and specified brands. All items due on the FI do not have to be purchased. However, any eligible item must be allowed whether or not it is indicated as WIC eligible in the store's scanning system. (The Tennessee WIC Program does not control WIC eligibility in the scanning system.)
- Compare fruits and vegetables presented for purchase with a CVV to the description of eligible products on the WIC Food List. Also, it must be assured no excluded items are allowed. (Refer to P. 23 in this handbook or the Cashier Card provided for your registers.) However, any eligible item must be allowed whether or not it is indicated as WIC eligible in the store's scanning system. No change is to be given if the full value of the CVV is not purchased.
- Total the dollar amount of the approved foods without charging sales tax. With the exception of "above-50-percent" vendors, vendors must allow WIC participants any applicable customer courtesy, such as coupons, bonus cards, and buy-one-get-one-free offers.
- Complete the right side of the front of the FI in blue or black ballpoint ink (no pastel or gel inks) and in the following order (see example FI on following page for number comparison):
 1. The month, date, and year (six digit numeric) in the "DATE TRANSACTED" box. This must be within the valid month printed at the top of the FI.

2. The dollar amount of the WIC transaction in the “PAY THIS AMOUNT” box. Do not include sales tax.
3. The program participant or alternate signs the FI’s signature line. If this signature does not match a signature on the WIC FI/ CVV folder, or it is pre-signed, do not accept the FI. Driver’s license or other ID with signature may be used to verify questionable matches. If unsuccessful, instruct that the program participant must return the FI to the local health department or clinic.
4. Stamp the FI with your authorized WIC vendor stamp as assigned to you by the State. (Does not have to be done during the transaction. It is typically stamped during preparation of bank deposits.)

(Revised page 32.)

The FI should be completed as in the sample (the numbers on the FI correspond to those on the previous page.):

The image shows a sample Tennessee WIC Program Voucher (FI). It contains the following information:

- Header: "If you have questions call your local Health Department or 1-800-342-5942 (1-800-DIAL WIC)"
- REG. CO. 015, CL. 01, PARTICIPANT ID# 0000004228, WIC, ADMIN B.
- ISSUING CLK. ID# VKKV, TENNESSEE WIC PROGRAM, 20028157
- Pay The Authorized TN WIC Vendor
- VALID ONLY DURING: JUNE 2009
- DATE TRANSACTED: (blank)
- PAY THIS AMOUNT: (blank)
- Signature below must match signature on voucher folder. (blank)
- VALID ONLY FOR THE PURCHASE OF WIC APPROVED FOODS:
 - FOOD PACKAGE: 05STD VOUCHER CODE: E
 - ONE (1) GALLON OF MILK (REDUCED FAT, LOW FAT, FAT FREE OR SWEET ACIDOPHILUS)
 - SIXTEEN(16)OZ STORE BRAND CHEESE(8 OR 16 OZ SIZE)
 - ONE (1) DOZEN LARGE GRADE A WHITE EGGS
 - TWO (2) 46 OZ CONTAINERS OF JUICE
 - OR TWO (2) 11.5-12 OZ FROZEN CANS
 - THIRTY-SIX (36)OZ OF CEREAL(BUY 11 OZ OR LARGER)
 - *MOM'VE TO FAT FREE AND LOWFAT MILK!
- Barcode at the bottom: 20028157 06119684 2505535

- Complete the right side of the front of the CVV in blue or black ballpoint ink (no pastel or gel inks) and in the following order (see example CVV for number comparison):
 1. The month, date, and year (six digit numeric) in the “DATE TRANSACTED” box. This must be within the valid month printed at the top of the CVV.
 2. The dollar amount of the WIC transaction in the “PAY THIS AMOUNT” box. Do not include sales tax. No change is to be given if the paid amount is less than the value of the CVV. The “PAY THIS AMOUNT” must not exceed the CVV’s maximum allowed amount. (However, the participant, authorized representative or proxy must be allowed to pay the difference when a fruit and vegetable purchase exceeds the value of the CVVs (also known as a split tender transaction). Payment can be made with using cash, SNAP benefits or other means. These forms of payment are subject to collection of sales tax except SNAP transactions.) The program participant or alternate signs the CVV’s signature line. If this signature does not match a signature on the WIC FI/ CVV folder, or it is pre-signed, do not accept the CVV. Driver’s license or other ID with signature may be used to verify questionable matches. If unsuccessful, instruct that the program participant must return the CVV to the local health department or clinic.
 3. Stamp the CVV with your authorized WIC vendor stamp as assigned to you by the State. (Does not have to be done during the transaction. It is typically stamped during preparation of bank deposits.)

The CVV should be completed as in the sample below (the numbers on the CVV correspond to those from the previous page.):

If you have questions call your local Health Department or 1-800-342-5942 (1-800-DIAL WIC)

2	015	01	0000004228	WIC, ADMIN B.		WKV	TENNESSEE WIC PROGRAM	20028156
REG.	CO.	CL	PARTICIPANT ID#	LAST NAME	FIRST NAME	MI	ISSUING CLK ID#	

VALID ONLY FOR THE PURCHASE OF WIC APPROVED FOODS:
FOOD PACKAGE: 05STD VOUCHER CODE: CVV6

THIS VOUCHER IS VALID FOR UP TO \$6 (SIX DOLLARS)
OF FRESH OR FROZEN
FRUITS AND VEGETABLES
MUST BE USED AT A WIC AUTHORIZED GROCERY STORE

NO CHANGE MAY BE GIVEN IF TOTAL VALUE NOT USED
IF TOTAL VALUE EXCEEDED, PARTICIPANT MAY PAY THE
DIFFERENCE OR REDUCE THE AMOUNT OF FOOD

Pay The Authorized TN WIC Vendor

64-1968
611

VALID ONLY DURING
JUNE 2009

DATE TRANSACTED

PAY THIS AMOUNT
\$

Not valid unless legibly stamped with authorized vendor
stamp and deposited within 30 days from last day valid.
Payable through
United Community Bank, Marietta, GA 30060

Signature below must match signature on voucher folder.

x

200 28 1 56 1 06 1 1 96 8 4 2 2505535

1

2

3

4

(Newly added)

VENDOR COMPLAINTS

- Complaints on vendors may come from, but are not limited to, participants, their authorized representatives, proxies, other vendors, USDA, or the general public. They are commonly reported through, but also not limited to, the statewide toll-free WIC Hot Line (see number below), clinic interaction, media reports or non-WIC or non-health department State or local staff.
- Specific contact information for reporting complaints is as follows:
 - Phone: 1-800-342-5942
 - Fax: 1-615-532-7189
 - Mail: Jerry Orenstein, State WIC Vendor Manager
Tennessee Department of Health
Division of Family Health & Wellness
Andrew Johnson Tower, 8th Floor
710 James Robertson Parkway
Nashville, Tennessee 37243
 - E-mail: Jerry.Orenstein@tn.gov
 - Your regional WIC Program representative (see page 45 for contact information.)
- All complaints made towards vendors are followed up on by the vendor's regional WIC Program representative. If determined to be a legitimate complaint, further action is taken, such as, but not limited to, phone calls, e-mail, store visit, warning letters. The complaint and results are tracked through the vendor management data system.
- Continued complaints may lead to increased monitoring visits, compliance investigations and possible disqualification from the WIC Program and termination of the vendor agreement.

CIVIL MONEY PENALTY INCREASES

(Revised pages 37 – 38)

Effective with violations occurring after March 14, 2018:

- Civil Money Penalties (CMPs) for a vendor convicted of trafficking in food instruments have a maximum of \$15,401 for each violation, except that the maximum penalty for violations occurring during a single investigation is \$60,161.
- Civil Money Penalties (CMPs) for a vendor convicted of selling firearms, ammunition, explosive, or controlled substances in exchange for food instruments have a maximum of \$15,401 for each violation, except that the maximum penalty for violations occurring during a single investigation is \$60,161.

(Newly added)

WIC ELECTRONIC BENEFITS TRANSFER (EBT) SYSTEM

-TNWIC

- With the changeover from the issuance of WIC benefits through paper FIs and CVVs to the new EBT system known as TNWIC, the following is being added to the current WIC Vendor Agreement effective through September 30, 2019. As stated in Section III of the agreement, “The State and Vendor Agrees”, clause (10), “The WIC Vendor Handbook is part of this agreement and is incorporated by reference”. This is applicable to both the agreements for groceries and pharmacies.

WIC vendors are required to have Point of Sale (POS) terminals that support WIC EBT. Each provision below applies to all vendors regardless if using single function terminals (“stand beside” or “stand alone”, only for WIC transactions) or multi-function cash register systems (“integrated” for WIC transactions and other forms of payment)

- **EBT minimum lane coverage:** POS terminals used to support the WIC Program shall be deployed in accordance with the minimum lane coverage provisions of §246.12(z)(2) of federal regulations. The WIC Program may remove excess terminals if actual redemption activity warrants a reduction consistent with the redemption levels outlined in §246.12(z)(2)(i) and §246.12(z)(2)(ii).

All vendors must have at least one POS terminal, and may be required to have up to four:

- ❖ Vendors with at least \$2 million in annual food sales must have one terminal for every \$11,000 in monthly WIC sales (considered over the prior twelve months) up to at least four.
 - ❖ All other vendors must have one terminal for every \$8,000 in monthly WIC sales (considered over the prior twelve months) up to at least four.
 - ❖ Newly authorized WIC vendors the WIC Program considers necessary for participant access are to have one POS terminal, unless the WIC Program determines other factors in this location warrant additional terminals.
 - ❖ Any authorized vendor that has been equipped with a POS terminal by the WIC Program may submit evidence that additional terminals are necessary after the initial POS terminals are installed.
- **EBT third-party processing costs and fees:** The vendor shall not charge the WIC Program any third-party commercial processing costs and fees incurred by the vendor from EBT multi-function (“integrated”) equipment. Commercial transaction processing costs and fees imposed by a third party processor that the vendor elects to use to connect to the EBT system of the WIC Program shall be borne by the vendor.
 - **EBT interchange fees:** The WIC Program shall not pay or reimburse the vendor for interchange fees related to WIC EBT transactions.
 - **EBT ongoing maintenance and operational costs:** The WIC Program shall not pay for ongoing maintenance processing fees or operational costs for vendor systems and equipment used to support WIC EBT after the WIC Program has implemented WIC EBT statewide, unless the equipment is used solely for the WIC Program or the WIC Program determines the vendor using multi-function (“integrated”) equipment is necessary for participant access. Costs shared by the WIC Program will be proportional to the usage for the WIC Program.

➤ Compliance with EBT operating rules, standards and technical requirements: The vendor must comply with the operating rules, standards and technical requirements established by the WIC Program.

- Once EBT has been implemented statewide, the WIC Program may not authorize a vendor applicant that cannot successfully demonstrate EBT capability in accordance with WIC Program requirements. The only exception is when the WIC program determines the vendor is necessary for participant access and chooses to provide equipment before authorization.

NOW, THEREFORE, I have read and do understand and agree to the above changes. The undersigned represents that he/she is either the sole proprietor of the firm or is legally authorized to accept this addendum on behalf of the ownership of the firm.

_____ Signature of WIC Vendor or Designee	_____ Title	_____ Date
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_____ Signature of Regional Office Designee	_____ Title	_____ Date
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THIS ADDENDUM IS IN EFFECT FROM OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2019.

_____ Owner	_____ Manager	_____ WIC Contact Person
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_____ Street Address	_____ City	_____ State	_____ Zip Code
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_____ Phone Number	VENDOR STAMP:
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(July 23, 2018)